

Revised on 6/3/13 based upon amendments adopted through 5/31/13.

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2013-14		FY 2014-15	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	\$64,455	Unknown	\$63,434	Unknown
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$64,455		\$63,434	

Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.

LB 568 is the Health Insurance Exchange Navigator Registration Act. The bill requires the registration of insurance navigators by the Department of Insurance (DOI). Persons applying for an initial navigator's registration must pass a written examination and those renewing a license must complete prescribed federal training and continuing education. An annual registration fee of up to \$25 is to be paid by navigators and an annual registration fee of up to \$50 is established for entity navigators. DOI may place licensees on probation, suspend, revoke, or refuse to issue, renew or reinstate navigator registrations for a violation of the act.

The number of navigators registered pursuant to the bill is unknown. This will make it difficult for DOI to set an initial registration fee. The department intends to establish a fee which will offset the cost of investigating complaints against navigators and navigator entities. DOI projects a need for an additional complaint investigator in the consumer affairs division of the department to respond to complaints against registrants. The estimated cost for an additional employee is \$64,455 of cash funds in FY14 and \$63,434 of cash funds in FY15.

The department indicates that testing of applicants for navigator registrations and continuing education for navigators will be provided by vendors rather than the department as is the case with other insurance licensees. The cost of these activities will be borne by the individual registrant.

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2013

**LB⁽¹⁾ 568
AM 1545** **FISCAL NOTE**

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Department of Insurance

Prepared by: ⁽³⁾ Eric Dunning Date Prepared: ⁽⁴⁾ 5-30-13 Phone: ⁽⁵⁾ 402-471-4650

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2013-14</u>		<u>FY 2014-15</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	<u>64,455</u>	<u>Indeterminate</u>	<u>63,434</u>	<u>Indeterminate</u>
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>64,455</u>	<u>Indeterminate</u>	<u>63,434</u>	<u>Indeterminate</u>

Return by date specified or 72 hours prior to public hearing, whichever is earlier.
Explanation of Estimate:

AM 1545 to LB 568 creates fiscal impact to the Department, for both expenditures and revenues. The bill requires the Department to license Navigators and similar functions related to the operation of the federal health insurance exchange created by the federal Affordable Care Act. The Department would be given the authority to impose a licensing fee, which it would use to offset the cost of regulation of licensees once a license has been granted. The fee is limited to amounts specified under the Amendment.

The Department believes that investigating complaints made against such licensees will require one position in its' Consumer Affairs Division.

The Department anticipates that record keeping would be performed largely by third party vendors, who are paid directly by the licensee as is currently the case with insurance producer licenses.

MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2013-14</u>	<u>2014-15</u>
	<u>13-14</u>	<u>14-15</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Consumer Claims Affairs Investigator II	<u>1</u>	<u>1</u>	<u>42,470</u>	<u>43,320</u>
Benefits.....			<u>18,985</u>	<u>19,114</u>
Operating.....			<u>3,000</u>	<u>1,000</u>
Travel.....			_____	_____
Capital outlay.....			_____	_____
Aid.....			_____	_____
Capital improvements.....			_____	_____
TOTAL.....			<u>64,455</u>	<u>63,434</u>